

MORTGAGE LENDING ADVERTISING DISCLOSURE REQUIREMENTS

RE 858 (Rev. 10/10)

“What do I put in my ads to comply with the licensing disclosure requirements?”

A familiar question heard from brokers. Changes have occurred over the years in the required disclosures of license status and identification in advertising. The most recent changes occurred July 1, 2009. As it can be confusing, the following chart shows the required disclosures based on the purpose of the ad. Note: In addition to the information in the chart, the requirement of B&P Code Section 10140.6(b) [see below] applies to all first points of contact materials, as defined.

Advertising Media

The disclosures are required in all advertising including, but not limited to, flyers, mailers, TV, radio, newspapers, magazines, yellow pages and the Internet.

Questions?

If you have questions, please call the Mortgage Loan Activities section at (916) 227-0770 or write to: Department of Real Estate, Attn: Mortgage Loan Activities, P.O. Box 187000, Sacramento, CA 95818-7000.

<i>Required Disclosures</i>	Advertising Purposes			First Point of Contact Only (Business cards, stationary, etc.)
	Soliciting for Borrowers	Soliciting for Investors/Lenders and/or Note Purchasers	All Other Mortgage Loan Advertising	
<i>Phrasing</i>	CA Dept. of Real Estate – Real Estate Broker; or Real Estate Broker – CA Dept. of Real Estate	Broker, agent, Realtor, loan correspondent or abbreviations bro., agt., or other similar terms or abbreviations	CA Dept. of Real Estate – Real Estate Broker; or Real Estate Broker – CA Dept. of Real Estate	Broker, agent, Realtor, loan correspondent or abbreviations bro., agt., or other similar terms or abbreviations
<i>DRE License Number</i>	8-digit license number of each licensee in the advertisement, and 8-digit license number of the broker	8-digit license number of each licensee in the advertisement, and 8-digit license number of the broker	8-digit license number of each licensee in the advertisement, and 8-digit license number of the broker	8-digit license number of each licensee disseminating the materials
<i>NMLS Unique Identifier</i>	Unique identifier of each licensee in the advertisement, and Unique identifier of the broker	Unique identifier of each licensee in the advertisement, and Unique identifier of the broker	Unique identifier of each licensee in the advertisement, and Unique identifier of the broker	Unique identifier of each licensee disseminating the materials (Unique identifier of the employing broker or corporation <i>not</i> required)

PERTINENT CODES & REGULATIONS

Business & Professions (B&P) Code

Disclosure of Licensed Status in Advertising

10140.6. (a) A real estate licensee shall not publish, circulate, distribute, or cause to be published, circulated, or distributed in any newspaper or periodical, or by mail, any matter pertaining to any activity for which a real estate license is required that does not contain a designation disclosing that he or she is performing acts for which a real estate license is required.

(b) (1) A real estate licensee shall disclose his or her license identification number and, if that licensee is a mortgage loan originator, the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry, on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when

acting as an agent in those transactions. The commissioner may adopt regulations identifying the materials in which a licensee must disclose a license identification number and, if that licensee is a mortgage loan originator, the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry.

(2) For purposes of this section, "solicitation materials intended to be the first point of contact with consumers" includes business cards, stationery, advertising fliers, and other materials designed to solicit the creation of a professional relationship between the licensee and a consumer, and excludes an advertisement in print or electronic media and "for sale" signs.

Continued on reverse

(3) Nothing in this section shall be construed to limit or change the requirement described in Section 10236.4 as applicable to real estate brokers.

(c) The provisions of this section shall not apply to classified rental advertisements reciting the telephone number at the premises of the property offered for rent or the address of the property offered for rent.

(d) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

Advertising of Loan — License Disclosure

10235.5. (a) No real estate licensee or mortgage loan originator shall place an advertisement disseminated primarily in this state for a loan unless there is disclosed within the printed text of that advertisement, or the oral text in the case of a radio or television advertisement, the Department of Real Estate license number and the unique identifier assigned to that licensee by the Nationwide Mortgage Licensing System and Registry under which the loan would be made or arranged.

(b) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

Disclosure of License Number in Advertisement; License Number and DRE License Information Telephone Number in Disclosure Statements

10236.4. (a) In compliance with Section 10235.5, every licensed real estate broker shall also display his or her license number on all advertisements where there is a solicitation for borrowers or potential investors. Every mortgage loan originator, as defined in Section 10166.01, shall also display the unique identifier assigned to that individual by the Nationwide Mortgage Licensing System and Registry on all advertisements where there is a solicitation for borrowers.

(b) The disclosures required by Sections 10232.4 and 10240 shall include the licensee's license number, the mortgage loan originator's unique identifier, if applicable, and the department's license information telephone number.

(c) "Mortgage loan originator," "unique identifier," and "Nationwide Mortgage Licensing System and Registry" have the meanings set forth in Section 10166.01.

*[*The DRE's licensing information telephone number is 877-373-4542. This number is required to be on the Lender/Purchaser Disclosure Statement and the Mortgage Loan Disclosure Statement. The number is not required on advertisements or loan solicitations.]*

Commissioner's Regulations

2770.1. Advertising — License Designation.

Use of the terms broker, agent, Realtor, loan correspondent or the abbreviations bro., agt., or other similar terms or abbreviations, is deemed sufficient identification to fulfill the designation requirements of Section 10140.6 of the Business and Professions Code.

Use of the terms and abbreviations set forth above do not satisfy the requirements of Sections 10235.5 and 17539.4 of the Code.

2773. Disclosure of License Identification Number on Solicitation Materials – First Point of Contact with Consumers.

(a) A real estate broker or salesperson, when engaging in acts for which a license is required, shall disclose its, his or her eight (8) digit real estate license identification number on all solicitation materials intended to be the first point of contact with consumers. If the name of more than one licensee appears in the solicitation, the license identification number of each licensee shall be disclosed. The license numbers of employing brokers or corporate brokers whose names or logos or trademarks appear on solicitation materials along with the names and license numbers of licensed employees or broker associates do not need to appear on those materials.

Solicitation materials intended to be the first point of contact with consumers, and in which a licensee must disclose a license identification number, include the following:

- (1) Business cards;
- (2) Stationery;
- (3) Web sites owned, controlled, and/or maintained by the soliciting real estate licensee; and
- (4) Promotional and advertising fliers, brochures, email and regular mail, leaflets, and any marketing or promotional materials designed to solicit the creation of a professional relationship between the licensee and a consumer, or which is intended to incentivize, induce or entice a consumer to contact the licensee about any service for which a license is required.

The type size of the license identification number shall be no smaller than the smallest size type used in the solicitation material.

- (b) For the purposes of Business and Professions Code Section 10140.6, solicitation materials do not include the following:
 - (1) Advertisements in electronic media (including, without limitation, radio, cinema and television ads, and the opening section of streaming video and audio);
 - (2) Print advertising in any newspaper or periodical; and
 - (3) "For Sale" signs placed on or around a property intended to alert the public the property is available for lease, purchase or trade.

2847.3. Disclosure of License and Issuing Department

- (a) Use of either of the following statements shall satisfy the requirements of Sections 10235.5 and 17539.4 of the Code:
 - (1) Real estate broker, California Department of Real Estate.
 - (2) California Department of Real Estate, real estate broker. The words "California" and "Department" may be abbreviated only as "CA" or "CAL" or "Calif" and "Dept." A dash (-) may be used in lieu of the comma appearing in the statements set forth above in paragraphs (1) and (2).
- (b) The type size of the statement shall be no less than the smallest size type used in the advertisement copy.
- (c) Use of either statement as set forth in subdivision (a) will also satisfy the designation requirements of Section 10140.6 of the Code.